GLOBAL NEWS LINE

BELGIUM

Belgium, roughly the size of Maryland, has a population of 10 million people driving 5.8 million cars. This puts the car-to-inhabitant ratio close to that of the United States. The total annual market for auto repair and maintenance equipment is worth $50 million and is supplied almost entirely by imports, of which the United States has an estimated 5-percent market share. The end-user market includes more than 15,000 repair shops, many of which are new-car dealers. The others are franchises, independent garages, tire specialty service stations, and machine shops.

Demand for repair equipment is mainly driven by the Belgian regulation requiring all automobiles, four years or older, to pass an annual technical inspection. A change in the requirement for this affects the market for replacement parts. All secondhand cars are required to pass this inspection before they can be resold. In the repair and service equipment market, the most promising items are air-conditioning maintenance equipment, electronic diagnostic devices, emission testing equipment, and testing equipment for technical inspection stations.

Garages rely on laborsaving equipment, because hourly wages for garage mechanics range from $15 to $20. In Belgium, U.S. garage and repair products enjoy a reputation for quality. While most repair shops are interested in high-end products, price is still a concern. American products are at a slight disadvantage due to import tariffs of 2 to 10 percent. Due to differences in contract laws and the rights of distributors in Belgium, it is strongly suggested that local legal counsel be used in the drafting of any agreements.

GERMANY

The market for analytical and laboratory instruments is supported by robust growth in the pharmaceutical, food processing, and biotechnology industries. Analytical and laboratory instruments usage is rising rapidly in many areas, including pollution monitoring and industrial quality control. In addition, private testing laboratories, offering drug analysis, constitute a growing market. On-line analytical instruments are penetrating the traditional process control market, as customers require faster and more accurate data to improve control of product processes for better quality and less waste. Accordingly, there will be increasing opportunities for U.S. analytical instruments.

SPAIN

The ever-increasing emphasis by the majority of companies to reduce costs is helping pave the way for on-line training. However, despite a substantial increase in industry revenues, progress has been disappointing. The low Internet penetration rate, infrastructure problems, scarcity of top-notch professionals, lack of public and private sector support, and the worldwide recession including the dot-com crisis are considered some of the reasons for its slow implementation in Spain. Apart from the corporate sector, universities are also focusing on e-learning. Industry sources are confident that this is just a passing phase and are generally optimistic as to future developments.

The small to medium-sized business sector continues to integrate information technology at a good pace, but there is still a great potential for training within the sector. Opportunities exist in the provision of quality programs and platforms to a variety of business sectors.

Some industry sources have also expressed confidence in the potential of the home market for e-learning. Contrary to the opinion of many, these sources believe that Spain has a greater potential for growth than in many other countries, mainly because of university saturation and the need of young professionals to improve their competitiveness in the job market. Spanish human resources directors view graduate programs that make use of e-learning resources as an important competitive advantage for potential employees.

VIETNAM

Electricity of Vietnam (EVN) manages the power industry in Vietnam. EVN is a state-owned monopoly controlling 52 affiliates. The Ministry of Industry administers EVN. According to this ministry, Vietnam's estimated demand for electricity will grow 12 to 15 percent annually until 2010. Economic expansion, further industrialization, and Vietnam's plan to increase electrification in rural areas from the current 77.4 percent to 90 to 100 percent by 2010 fuel this growth. In response to this, the power industry will need about $19 to 20 billion in investment to build 40 new power plants, construct about 15,000 km of 110–500 kV transmission lines and 300,000 km of distribution networks, as well as upgrade existing facilities to improve system efficiency and cut power loss.

The primary sources of finance for purchases are from official development assistance (ODA) grants and loans from various international financial institutions such as the World Bank and Asian Development Bank, foreign government aid, and Vietnamese government funds. EVN, which is presently considered financially weak, has to return its revenue to the central government and is then allocated an operating and investment budget. This practice may change in the future with more finance coming directly from EVN revenue.

To be successful in Vietnam, U.S. firms have to be flexible and committed to the market as well as conform to the International Electrotechnical Commission standards, which are dominant in the country. Firms must also spend the time and exert the effort to cultivate effective relationships in the power industry. Moreover, American companies should take full advantage of their reputation for superior quality, innovative technologies, and expertise.

Understanding local business and procurement practices is also crucial to doing business successfully in Vietnam. Normally, procurement under ODA loan projects is governed by standard procedures and guidelines of the respective donors and is carried out through international competitive bidding. Procurement funded by the Vietnamese government budget is governed by regulations on investment, construction, bidding, and procurement. Purchases funded by the government are often carried out through open bidding, limited bidding, or direct contracting depending on value, types of goods, and projects. Contracts are often awarded to those who are familiar with project developers and, of course, can offer quality at a fair price.

CHINA

China is now the eighth-largest cosmetics producer in the world. Its cosmetics market has grown tremendously from annual sales of $24.1 million in 1982 to approximately $5.4 billion in 2002. With China's rapid economic development, this market is expected to expand at an annual rate of 10 percent, with sales reaching $9.7 billion by 2010. There are 3,500 to 4,000 manufacturers competing in this market. Several hundred of them are enterprises with foreign investment by major players from the United States, France, Germany, Japan, and South Korea. These foreign companies have captured about 80 percent of the market, while some 3,000 local companies share the remaining 20 percent.

Despite its fast growth, the Chinese cosmetics market is still at a very low level of development and is far from saturation. With potentially the largest customer base in the world and currently a low level of per capita spending of only $4 on cosmetics, China provides tremendous business opportunities for foreign producers. Such opportunities mainly exist in the areas of imported or localized cosmetic ingredients; effective, safe, or health-oriented cosmetics made from natural, herb-based ingredients; instruments, devices, or products for body beauty centers, beauty clinics, and salons; and functional and low-end hair care products for specific consumer groups. Although the Chinese cosmetics market has become highly competitive, there is still plenty of potential for new entrants, provided that they adopt appropriate market entry strategies, find appropriate manufacturing or distribution partners, use effective marketing techniques, and make suitable products for various customer groups at reasonable prices.

THE PHILIPPINES

Although the Philippine market for insulation products has weakened in the last three years due to a slowdown in general construction activity, industry sources forecast 5-percent annual growth over the next three years.

Imports satisfy 60 percent of the demand for insulation products. There are several U.S. suppliers of insulation products in the Philippines. Price is the major purchase consideration of end users.

American companies with insulation products that have special applications or features have good prospects in the Philippine market. A U.S. company can sell to the country by appointing a Philippine distributor or through existing agents in Asia.

MEXICO

Pemex, the government-owned petroleum company, will continue investing during the next three years in large exploration, production, storage, and refining projects to modernize its infrastructure. Local manufacturing companies will focus more on the export market and selling to large local contractors that participate in Pemex projects.

Participating in domestic and international tenders published by Pemex subsidiaries will continue to be the best way to sell oil and gas equipment and services. To have access to the opportunities it is important to become registered as a Pemex equipment or service supplier, or to find a representative or distributor already registered.

NEED MORE DETAIL?
Ask a commercial officer at one of the Department of Commerce posts located around the globe. Contact information, including phone, fax and e-mail, is available by calling the Trade Information Center at (800) USA-TRAD(E).